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FEDERAL COMMUNICATIONS COMMISSION
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August 21, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: IB Docket No. 96-111 ✓
Further Notice of Proposed Rulemaking
FCC 97-252

Dear Mr. Caton:

Enclosed for submission to the Federal Communications Commission are an original and four copies of GlobeCast North America Incorporated's Comments in the above-captioned proceeding.

Please contact the undersigned counsel for GlobeCast if there are any questions.

Sincerely,

James T. Roche
(202) 662-4331

Enclosures

GlobeCast

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	IB Docket No. 96-111
)	
Amendment of the Commission's Regulatory)	
Policies to Allow Non-U.S. Licensed Space)	
Stations to Provide Domestic and International)	
Satellite Service in the United States)	
)	
and)	
)	
Amendment of Section 25.131 of the)	
Commission's Rules and Regulations to)	CC Docket No. 93-23
Eliminate the Licensing Requirement for)	RM-7931
Certain International Receive-Only Earth)	
Stations)	
)	
and)	
)	
COMMUNICATIONS SATELLITE)	
CORPORATION)	File No. ISP-92-007
Request for Waiver of Section 25.131(j)(1))	
of the Commission's Rules As It Applies to)	
Services Provided via the Intelsat K Satellite)	

COMMENTS OF

GLOBECAST NORTH AMERICA INCORPORATED

GlobeCast North America Incorporated ("GlobeCast"), formerly called Keystone Communications Corporation, hereby submits its Comments regarding the Commission's Further Notice of Proposed Rulemaking, FCC 97-252, released July 18, 1997, in the above-captioned proceeding ("FNPRM"). GlobeCast generally supports the Commission's goals in this

proceeding, but believes that even less regulation is warranted. GlobeCast asserts that the greater the number of satellites competing for U.S. business, the lesser amount of regulation will be needed. In addition, GlobeCast urges the Commission to revise its proposed rules to eliminate the licensing requirement for all international receive-only earth stations.

GlobeCast North America Incorporated, headquartered in Culver City, California, is one of the leading providers of domestic and international video and audio transmission services, utilizing Ku-band and C-band transmit/receive and receive-only earth stations, and point-to-point microwave and fiber optic facilities. GlobeCast leases more than 15 36MHz equivalent international satellite transponders and 20 domestic satellite transponders in connection with earth stations in California, New Jersey, New York, Utah and the Washington, D.C. area and utilizes additional international and domestic satellite transponders on an as-needed basis.

I. **The Commission Should Not Apply the ECO-Sat Test to WTO Member Markets**

GlobeCast supports the Commission's proposal to establish a presumption that competition will be promoted by its not requiring an ECO-Sat analysis in evaluating whether to permit satellites licensed by World Trade Organization ("WTO") member countries to provide covered services within the United States and between the United States and other WTO members. As the Commission explains, this proposal is based on the assumption that the liberalized global telecommunications market contemplated by the WTO Basic Telecom Agreement and the developing competitive conditions of global telecommunications warrants substantial changes in its consideration of United States telecom market entry by non-U.S.

licensed satellites (See FNPRM, para. 2). The elimination of the ECO-Sat test for WTO member countries would be consistent with the principles of open markets, fair objective decisionmaking and reasonable rates. However, GlobeCast questions whether the Commission can retain any ability to restrict access to the U.S. market for WTO member country satellites “when the grant would pose a very high risk to competition in the United States satellite market” (See FNPRM, para. 13). This language seems to create a loop-hole for the Commission to abrogate the WTO agreement at its sole discretion, whenever it decides that a non-U.S. licensed satellite is a competitive threat. This seems inconsistent with the U.S. efforts to deregulate the market and with the U.S. commitment to the WTO. Other Signatories to the WTO agreement have already indicated that they are concerned with this language (See Telecommunications Reports, Vol.63, No. 32, August 11,1997, p. 5).

GlobeCast agrees with the Commission that nothing should be done in DISCO II to undo what the Commission accomplished in its DISCO I proceeding (See FCC Rcd 2429 (1996)). Therefore, the FCC should not apply an ECO-Sat test in cases involving WTO member satellites, regardless of the route market (See FNPRM, para. 27). This is consistent with the FCC’s treatment of U.S. licensed satellites under DISCO I. Restrictions on exclusionary arrangements should adequately prevent any anticompetitive efforts and promote competition in those non-member countries. Dominant market positions held by certain entities will be decreased by the Commission’s licensing the maximum number of earth station facilities for the provision of United States services.

GlobeCast supports the Commission’s proposed framework in the FNPRM to rely on competitive market forces rather than an analysis of effective competitive opportunities abroad in

evaluating requests to serve the United States using WTO member satellite systems, other than IGO satellite systems, for non-exempt services (See FNPRM, para. 63). This framework should promote greater market access, foster fair competition, and ensure lower prices, better service, and more innovative services offerings for U.S. users and competitors.

II. The Commission Should Deregulate All International Receive-only Earth Stations

In the pending Notice of Proposed Rulemaking, FCC 93-89, released March 9, 1993, in CC Docket No. 93-23, (RM-7931), the Commission proposed to deregulate all receive-only international earth stations, except INTELSAT earth stations which are operationally connected to the U.S. domestic common carrier network. The Commission believed that such change would open new markets and services for international communication transmissions and make international services, such as video programming, more feasible for U.S. consumers. In the instant proceeding, the Commission proposes to require licenses for the use of receive-only earth stations to receive signals from non-U.S. licensed FSS satellite systems, including INTELSAT (see proposed Rule §25.131.(j)).

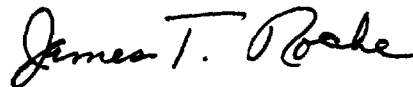
GlobeCast uses receive-only earth stations for the reception of in-coming video and audio programming transmissions. These traditional fixed satellite services are covered services under the WTO and the related antennas should be eliminated from the Commission's licensing requirements. Receive-only earth stations, whether operating with domestic or international satellites, are passive devices and cannot cause interference to other radio stations (See FNPRM, para. 56). In light of the WTO Basic Telecom Agreement, licensing is no longer needed in these

cases to ensure that the earth stations' operations would facilitate competition by considering equivalent competitive opportunities in the home markets. The U.S. does not need the market leverage which arguably was a reason to continue licensing international receive-only earth stations.

In early 1993, the FCC concluded that the time had come to remove the licensing requirement for international receive-only earth stations (See NPRM, FCC 93-89, supra). GlobeCast urges the Commission now to adopt the regulatory policy that all international receive-only earth stations not subject to any international treaty restrictions are free to operate without a license and are eligible for registration.

WHEREFORE, GlobeCast North America Incorporated requests consideration of its comments in this proceeding.

Respectfully submitted,

A handwritten signature in black ink that reads "James T. Roche". The signature is written in a cursive, flowing style.

James T. Roche
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August 21, 1997